



TOWN OF BARRINGTON

NEW HAMPSHIRE

Office of the Town Administrator

2021 Budget Unassigned Fund Balance Workbook Details

October 22, 2020

The Unassigned Fund Balance History dating back to 2002 and the Targeted Fund Balance History dating back to 2011 can be found in the [Unassigned Fund Balance History – 201022](#). This Excel spreadsheet has two sheets/tabs:

1. Fund Balance History
2. Targeted Fund Balance

The details below explain each sheet and the columns within them. Use this information to better understand the data presented in the above-referenced Excel workbook.

Fund Balance History

1. Year
 - a. January 1st through December 31st. Budget year = calendar year.
2. Beginning Unassigned Fund Balance
 - a. This amount is finalized after a completed prior year audit (typically late in the third quarter). The completed audit finalizes the amount added to unassigned fund balance in the prior year. This amount can be estimated in the first quarter based on unaudited prior year expenditures and revenues.
3. Total Spent by Warrant Article
 - a. Unassigned fund balance can be used as a funding source at Town Meeting. All approved warrant articles which use unassigned fund balance are totaled after the vote in March.
4. Department of Revenue Administration Adjustment
 - a. Unassigned fund balance can be used within a budget year, for emergency expenditures, with prior authorization from the Department of Revenue Administration. Additionally, the Department of Revenue Administration may make adjustments based on the reported financial information. These adjustments can happen at any time within a budget year and are totaled at the end of the year.
5. Amount Used to Reduce Taxes
 - a. During tax-rate-setting, the Select Board can authorize the utilization of unassigned fund balance to reduce the tax rate. When employed responsibly, this approach can help ensure a stable tax rate. If used excessively, this can cause steep spikes and falls, causing instability in the tax rate. Unassigned fund balance used to reduce the tax rate must be matched by either an equal amount in future years or a reduction in appropriations in order to avoid the tax rate spiking the following year. This



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decision is made late in quarter three or early in quarter four based on the Department of Revenue Administration tax rate setting process.

6. Total Used from Unassigned Fund Balance
 - a. This totals the prior three columns indicating how much the unassigned fund balance was reduced throughout the year. This amount is finalized at the end of quarter four or early in quarter one of the following year.
7. Ending Unassigned Fund Balance
 - a. This subtracts the total used from the beginning balance to indicate an ending balance prior to end of year contributions to unassigned fund balance. This amount is finalized at the end of quarter four or early in quarter one of the following year.
8. Total Amount Added to Unassigned Fund Balance
 - a. This amount is primarily comprised of unexpended operating budget appropriations and revenues in excess of estimates. Unused overlay from the prior year, retired trust funds, and cancelled warrant articles may also contribute. This amount can be estimated in quarter one of the following year but is not finalized until the financials are audited. The audit of the prior year financials is typically completed by the end of quarter three.

Targeted Fund Balance

1. Year
 - a. January 1st through December 31st. Budget year = calendar year.
2. Regular General Fund Operating Expenditures
 - a. The Department of Revenue Administration tabulates this number based on voter and legislative body approved appropriations. This amount includes the school, county, state, and municipal expenditures. This amount is the basis for the Department of Revenue Administration's recommendation for unassigned fund balance. This number is finalized late in quarter three or early in quarter four during the Department of Revenue Administration's tax-rate setting process.
3. 8% - Minimum of Recommended Range
 - a. Represents 8% of the regular general fund operating expenditures. The Department of Revenue Administration recommends holding between 8% and 17% of the regular general fund operating expenditures.
4. 12.5% - Targeting Midpoint
 - a. Represents 12.5% of the regular general fund operating expenditures. The Select Board, by policy, targets the midpoint of the Department of Revenue Administration's range (8%-17%).



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- b. 17% - Top of Recommended Range
- c. Represents 17% of the regular general fund operating expenditures. The Department of Revenue Administration recommends holding between 8% and 17% of the regular general fund operating expenditures.
- 5. Ending Unassigned Fund Balance
 - a. This represents the unassigned fund balance at the end of each year. This does not include end of year contributions to fund balance which are added for the starting balance for the following year.
- 6. Difference from the Midpoint
 - a. This amount represents the unassigned fund balance in relation to the midpoint of the Department of Revenue Administration recommended range. A positive number represents the amount above 12.5% and a negative number represents the amount below 12.5%.